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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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	:	
In re	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	x	

SKADDEN, ARPS, SLATE,  
MEAGHER & FLOM

AFFIDAVIT OF LEGAL ORDINARY COURSE PROFESSIONAL

STATE OF OHIO )  
 ) ss:  
COUNTY OF HAMILTON )

John M. Kunst, Jr., being cautioned and sworn, states the following:

1. I am a partner with Dinsmore & Shohl LLP (D&S) which maintains offices at 1900 Chemed Center, 255 E. Fifth Street, Cincinnati, Ohio 45202.
2. Neither I, D&S, nor any partner, auditor or other member thereof, insofar as I have been able to ascertain, has any connection with the above-captioned debtors and debtors-in-possession (the "Debtors"), their creditors, or any other party-in-interest, or their attorneys, except as set forth in this affidavit.
3. In the past, D&S, represented and advised the Debtors in connection with labor and employment matters following the Debtors' spin-off from General Motors up until sometime shortly before or after the turn of the last century.
4. The Debtors have requested, and D&S has agreed, to represent and advise the Debtors pursuant to section 327(e) of Title 11 of the United States Code, 11 U.S.C. §§101-1330, as amended (the "Bankruptcy Code"), with respect to such matters. Additionally, the Debtors have requested, and D&S proposes, to render the following services to the Debtors:
5. We will enter appearances and defend the Debtors in all labor and employment lawsuits which are currently pending in various state and federal courts throughout Ohio. These cases are currently stayed. We will also appear and defend on behalf of the Debtors in any newly filed labor and employment related lawsuits and may be asked to appear on behalf of the Debtors in connection with any state or federal regulatory agency proceedings that involve the Debtors.

6. D&S's current fees arrangement with the Debtors is set forth in the attached Engagement Letter dated January 30, 2006.

7. Except as set forth herein, no promises have been received by D&S or any partner, auditor or other member thereof as to compensation in connection with these chapter 11 cases other than in accordance with the provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules, orders of this Court, and the Fee Guidelines promulgated by the Executive Office of the United States Trustee.

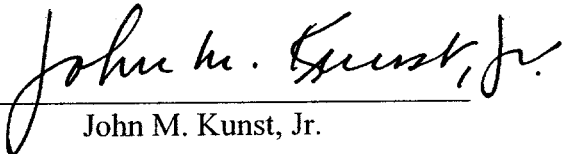
8. D&S has no agreement with any entity to share with such entity any compensation received by D&S.

9. Prior to its engagement by the Debtors, D&S assisted two of the Debtors' critical suppliers in perfecting their claims against the Debtors and continue to represent these critical suppliers in negotiating on-going matters related to tooling with the Debtors. These conflicts were disclosed to both the Debtors and the suppliers and the conflicts have been waived. We are currently awaiting written confirmation of one creditor's oral waiver in order to complete the waiver process. Other than these two disclosures, D&S does not and will not represent any other entity in connection with these pending chapter 11 cases and does not have any relationship with any such entity, attorneys, or accountants that would be adverse to the Debtors or their estates.

10. Prior to our engagement, the names of all adverse parties in the matters we were asked to appear in, along with a complete list of all the Debtors' operating names were circulated throughout D&S and, other than as noted in paragraph 9 above, it does not appear that I, D&S, nor any partner or other employee, insofar as I have been able to ascertain, holds or represents any interest adverse to the Debtors, or their estates in the matters upon which D&S is to be engaged.

10. The foregoing constitutes the statement of D&S pursuant to sections 329 and 504 of the Bankruptcy Code and Bankruptcy Rules 2014 and 2016(b).

FURTHER AFFIANT SAYETH NOT

  
John M. Kunst, Jr.

Subscribed and sworn before me  
this 6<sup>th</sup> day of Feb., 2006

  
Notary Public

JOHN M. KUNST, JR., Attorney at Law  
Cleveland, Ohio  
Expiration Date  
Section 147.03

CERTIFICATE OF SERVICE

John M. Kunst, Jr., partner, hereby certifies that on February <sup>6</sup>~~3~~, 2006, he served a copy of the Affidavit of Legal Ordinary Counsel Professional, upon the following interested parties via first class mail:

Delphi Corporation  
Attention: General Counsel  
5725 Delphi Drive  
Troy, MI 48098  
U.S.A.

Latham & Watkins  
Attention: Mark A. Broude, Esq.  
885 Third Avenue  
New York, N.Y. 10022  
U.S.A.

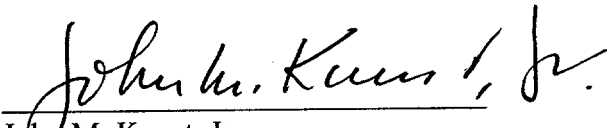
Skadden, Arps, Slate, Meagher & Flom  
Attention: John W. Butler, Jr., Esq.  
333 West Wacker Drive  
Suite 2100  
Chicago, IL 60606  
U.S.A.

Simpson Thacher & Bartlett LLP  
Attention: Marissa Wesley, Esq.  
425 Lexington Avenue  
New York, N.Y. 10017  
U.S.A.

United States Trustee  
Attention: Alicia M. Leonhard, Esq.  
33 Whitehall Street  
Suite 2100  
New York, N.Y. 10044  
U.S.A.

Davis Polk & Wardwell  
Attention: Marlane Melican, Esq.  
450 Lexington Avenue  
New York, N.Y. 10017  
U.S.A.

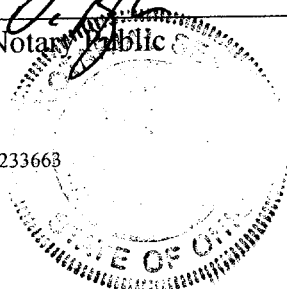
Dated: February 3, 2006

  
\_\_\_\_\_  
John M. Kunst, Jr.  
DINSMORE & SHOHL LLP  
1900 Chemed Center  
255 E. Fifth Street  
Cincinnati, Ohio 45202

Sworn before me this <sup>6</sup>~~3~~  
day of February, 2006.

  
\_\_\_\_\_  
Notary Public

1233663



AND DWANITE BLACK, Attorney at Law  
State of Ohio  
My Commission Has No Expiration Date  
Section 147.03

**Dinsmore & Shohl** LLP  
ATTORNEYS

John M. Kunst, Jr.  
513-977-8214  
skip.kunst@dinslaw.com

January 30, 2006

M. Beth Sax, Esq.  
Delphi Corporation  
5825 Delphi Drive  
M/C 480-410-144  
Troy, Michigan 48098

Re: Legal Representation of Delphi Corporation Throughout Ohio

Dear Beth:

Thank you for selecting Dinsmore & Shohl to represent you. This letter will confirm our discussion regarding your engagement of the firm and will describe the basis upon which we will provide legal services to you.

**Scope of Work** You have engaged us to provide legal representation to Delphi in all employment and labor related litigation throughout the State of Ohio in both federal and state courts and, when asked, before state and federal administrative agencies and tribunals.

**Rates** Our legal services will be billed to you based on the firm's standard hourly rates. Those rates currently range from \$245 to \$440 per hour for partners (my rate is \$440), \$160 to \$230 per hour for associates, and \$110 to \$145 per hour for paralegals. We have other categories for non-legal timekeepers whose specialties include library research, document managers for massive document cases, and technical specialists where certain computer programs assist with the management of a specific matter. These rates range from \$35 to \$125 per hour, but I do not anticipate that we will be using these specialists in your cases at this time. We bill our time in 1/10th hour increments. These hourly rates are reviewed and adjusted annually at the beginning of each calendar year. I have attached a list of those attorneys that I currently anticipate will be involved in the matters initially transferred to us from Jones Day.

**Discount** In recognition of our former relationship, we will extend a 10% discount to Delphi provided such a discount is permitted for an Ordinary Course Professional under your court approved reorganization plan.

**Expenses** Consistent with Delphi guidelines, to the extent we incur other expenses for such items as long distance telephone calls, special postage, express mail or deliveries, travel expenses and court costs, those will be billed to you as well. You will be billed only for the actual costs involved. No surcharges or markups are added to these expense items. No charges for local telephone calls, fax paper or machine operators are billed to clients. We use Lexis/Nexis and Westlaw computer-assisted research. We contract for these services in bulk and for several years in advance. We bill clients at our vendors' regular rates to third

255 East Fifth Street, Suite 1900 Cincinnati, OH 45202  
513.977.8200 513.977.8141 fax www.dinslaw.com

parties without discount. Postage costs for regular mailings are not charged unless you ask us to undertake a mass mailing on your behalf. Photocopies will be charged at \$.15 per page. We will handle your matters with the goal of delivering our legal services to you in a cost effective manner while still providing the expected high levels of performance and timeliness.

**Services Through Delphi Contracts or Software Systems** If Delphi requires outside counsel to use computer legal research or other services through a contracted firm (Lexis/Nexis or Westlaw), please advise us of the arrangements so that we can charge such research to Delphi's account. We reserve on the question of whether your contract imposes additional fees on the firm for sign-up, access and use.

**Consultants, Investigators and Experts** After consulting with your in-house staff, if Delphi authorizes us to retain any investigators, consultants or experts necessary in our judgment to represent your interests in the litigation, these charges become the responsibility of Delphi. At our option, we may forward third party charges in excess of \$500 directly to you for payment.

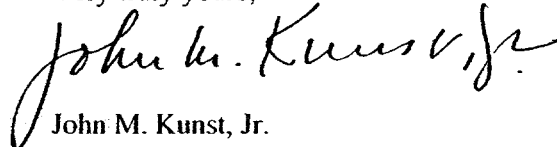
**Frequency of Billing and Payment** Per your request, we will accrue fees and expenses that are not greater than \$500 per monthly billing period. Bills for our legal services, including expenses charged during the billing period, will be sent to you on a monthly basis. Payment is due upon receipt of each invoice. You will be responsible for payment regardless of the outcome of the matter. It is understood that Dinsmore & Shohl reserves the right to withdraw from representing you upon reasonable notice if its statements for fees and expenses are not paid in accordance with these expectations.

**Cooperation** To enable us to represent you effectively, you agree to cooperate fully with us in all matters relating to your cases, and to fully and accurately disclose to us all facts and documents that may be relevant to the matter or that we may otherwise request. You also will make yourself reasonably available to attend meetings, discovery proceedings and conferences, hearings and other proceedings.

Please review this letter carefully and if it meets with your approval, please sign it and return it so that we may begin work.

Again, let me thank you for retaining us in connection with this matter. I look forward to working with you.

Very truly yours,



John M. Kunst, Jr.

JMK/kf  
Enclosure

AGREED AND ACCEPTED

\_\_\_\_\_  
M. Beth Sax, Esq.  
Delphi Corporation

\_\_\_\_\_  
Date

**DINSMORE & SHOHL LLP**

**Exemplar Rates for Labor & Employment Lawyers  
Available for Delphi Automotive Systems - January 8, 2006**

<u>NAME</u>	<u>STATUS</u>	<u>YEARS EXPERIENCE</u>	<u>2006 RATE</u>
Kunst, John M.	Partner	39	\$440
Glassman, Michael S.	Partner	29	\$360
Sallee, Jerry S.	Partner	25	\$360
<i>*Wall, Kirk M.</i>	<i>Partner</i>	<i>12</i>	<i>\$270</i>
Brock, Louise S.	Partner	9	\$265
<i>*Kauffman, Kelly L.</i>	<i>Associate</i>	<i>8</i>	<i>\$200</i>
Allison, Jonathan B.	Associate	5	\$200
O'Guinn, M. Dave	Associate	5	\$200
Moser, Emerson C.	Associate	4	\$190
Daniel, Stephanie P.	Associate	3	\$180
Burton, Shawn P.	Associate	2	\$170
Cruse, Charles S.	Associate	2	\$170
Fischesser, Carrie E.	Associate	New	\$160
Greenburg, David J.	Associate	New	\$160

\* Columbus Office